

Introduced by Senator Monning

February 8, 2016

An act to add Section 712.5 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 968, as introduced, Monning. Diablo Canyon Units 1 and 2 powerplant.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Diablo Canyon nuclear powerplant, composed of reactor Units 1 and 2, is operated by the Pacific Gas and Electric Company in the County of San Luis Obispo. Existing law requires the commission to convene, or continue, until August 26, 2025, an independent peer review panel to conduct an independent review of enhanced seismic studies and surveys of the Diablo Canyon Units 1 and 2 powerplant, including the surrounding areas of the facility and areas of nuclear waste storage.

This bill would direct the commission to require the Pacific Gas and Electric Company to submit an assessment, conducted by an independent third party, of the adverse economic impact that could occur if the Diablo Canyon Units 1 and 2 powerplant were to temporarily or permanently shut down before the powerplant's current operating licenses expire. The bill would require the commission to consider any further assessments or reviews needed that could assist local efforts to prepare for a sudden closure of the Diablo Canyon Units 1 and 2 powerplant.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Pacific Gas and Electric Company.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 712.5 is added to the Public Utilities
2 Code, to read:
3 712.5. (a) The commission shall require the Pacific Gas and
4 Electric Company to submit an assessment of the adverse economic
5 impact for the region surrounding the County of San Luis Obispo
6 that could occur if the Diablo Canyon Units 1 and 2 powerplant
7 were to temporarily or permanently shut down before the
8 powerplant's current operating licenses from the Nuclear
9 Regulatory Commission expire. The assessment shall be conducted
10 by an independent third party whose independence and
11 qualifications can reasonably be verified by the commission.
12 (b) The assessment shall consist of, but not be limited to, all of
13 the following:
14 (1) Estimates of any decreases in local tax revenues, decreases
15 in workforce populations, losses in indirect or induced economies,
16 and potential impacts to ratepayers from an early shutdown.
17 (2) A review of the economic impacts that affected the region
18 surrounding the San Onofre Nuclear Generating Station after it
19 was decommissioned by the Southern California Edison Company
20 and of the relevant decommissioning plans of the San Onofre
21 Nuclear Generating Station.
22 (3) Identification of any contingency plans that could mitigate
23 the adverse economic impact of an early shutdown to state and
24 local jurisdictions, the local workforce, and entities receiving
25 enhanced tax revenue.
26 (c) The independent third party shall consult with the board of
27 supervisors of the County of San Luis Obispo, the governing board
28 of the San Luis Coastal Unified School District, and other relevant
29 governmental entities to assist in an accurate assessment of
30 decreases in local tax revenues.
31 (d) The commission shall make the assessment publicly available
32 on its Internet Web site and place it as an item on the agenda at
33 the next commission meeting after the assessment is made publicly
34 available for purposes of collecting and recording public comment,
35 and hold any subsequent public meetings as necessary.

1 (e) The commission shall consider any further assessments or
2 reviews needed that could assist local efforts in the region
3 surrounding the County of San Luis Obispo to prepare for a sudden
4 closure of the Diablo Canyon Units 1 and 2 powerplant and make
5 those considerations and findings publicly available.

6 SEC. 2. The Legislature finds and declares that a special law
7 is necessary and that a general law cannot be made applicable
8 within the meaning of Section 16 of Article IV of the California
9 Constitution because, currently, the Diablo Canyon Units 1 and 2
10 powerplant, owned and operated by the Pacific Gas and Electric
11 Company, is the last operating nuclear powerplant in California
12 and its continued operation is uncertain as Diablo Canyon Units
13 1 and 2 are only authorized to operate until 2024 and 2025,
14 respectively. Local communities were ill-prepared and given no
15 notice after the sudden closure of the San Onofre Nuclear
16 Generating Station was announced on June 7, 2013, and the state
17 is still responding, at significant cost, to the sudden, permanent,
18 and unexpected loss of baseline electricity. Therefore, an
19 assessment is needed from the Pacific Gas and Electric Company
20 on the adverse economic impact specific to an early shut down of
21 the Diablo Canyon Units 1 and 2 powerplant to provide the state,
22 and local communities, with valuable and necessary information
23 to plan and prepare for that circumstance, if needed.